



16th ANNUAL REPORT 2009-2010



SAM INDUSTRIES LIMITED

BOARD OF DIRECTORS

Mr. Om Agrawal, Chairman
Mr. Ashutosh Maheshwari, Vice Chairman
Mr. Anil Maloo, Executive Director
Mr. Brij Kishore Jalan, Director
Mr. Santosh Muchhal, Director
Mr. Bhanu Prakash Inani, Director
Mr. Ashish Dave, Technical Director

COMPANY SECRETARY

Mr. Navin S. Patwa

AUDITORS

M/s. M. Mehta & Company,
Chartered Accountants
11/5, South Tukoganj, Nath Mandir Road, Indore-452001

BANKER

State Bank of Indore

REGISTRAR & TRANSFER AGENT

M/s. Ankit Consultancy Pvt. Ltd.,
2nd Floor, Alankar Point,
Geeta Bhawan Square,
A. B. Road,
Indore 452001

REGISTERED OFFICE

408, Dalamal Chambers, 4th Floor, 29, New Marine Lines, Mumbai 400020

Website : www.sam-industries.com

E-mail : secretarial@sam-industries.com

SAM INDUSTRIES LIMITED

NOTICE

Notice is hereby given that the 16th Annual General Meeting of the Members of Sam Industries Limited, will be held on Wednesday, the 15th day of September 2010 at 2:00 P. M., at the Basement of Dalamal Chambers, 29, New Marine Lines, Mumbai – 400 020 to transact the following business :-

1. To receive, consider and adopt the Balance Sheet as at 31st March 2010 and the Profit & Loss Account for the year ended on 31st March 2010, together with the Reports of Directors and Auditors thereon.
2. To appoint a Director in place of Mr. Om Agrawal, who retires by rotation and being eligible offers himself for re-appointment.
3. To appoint a Director in place of Mr. Bhanu Prakash Inani, who retires by rotation and being eligible offers himself for re-appointment.
4. To appoint M/s M. Mehta & Company, Chartered Accountants, Indore as Auditors to hold office from the conclusion of this meeting until the conclusion of the next Annual General Meeting and to fix their remuneration.

NOTES :

1. **A MEMBER ENTITLED TO ATTEND AND VOTE IS ALSO ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE INSTEAD OF HIMSELF AND THE PROXY NEED NOT BE A MEMBER. PROXIES IN ORDER TO BE EFFECTIVE THE PROXY FORM FULLY COMPLETED AND SIGNED AND SHOULD BE DEPOSITED AT THE REGISTERED OFFICE OF THE COMPANY NOT LESS THAN 48 HOURS BEFORE THE TIME FIXED FOR THE COMMENCEMENT OF THE MEETING.**
2. The Register of Members and Share Transfer Register of the Company will remain closed from Wednesday, 8th September 2010 to Wednesday, 15th September 2010 (both days inclusive).
3. Shareholders desiring any information as regards the accounts are requested to write to the Company at least 10 days before the annual General Meeting to enable the Management to keep the information ready.
4. Members are requested to kindly bring their copies of the Annual Report at the Annual General Meeting.
5. Members/Proxies should bring the Attendance Slip sent herewith duly filled in for attending the Meeting.
6. All documents relevant to the business to be transacted at this meeting will be available for inspection at the Registered Office of the Company during office hours on all working days prior to the Annual General Meeting.

By Order of the Board

**Indore,
The 28th day of May 2010**

**Navin S. Patwa
Company Secretary**

SAM INDUSTRIES LIMITED

Details of Directors seeking appointment /re appointment at the forthcoming Annual General Meeting

(In pursuance of Clause 49 of the Listing Agreement)

Name of Director	Mr. Om Agrawal	Mr. B. P. Inani
Date of Birth	4th February, 1954	31st August, 1966
Date of Appointment	15th October, 1998	21st March 2005
Expertise in specific functional area	Commercial	Accounts & Finance
Qualification	Commerce Graduate	Chartered Accountant
List of outside Directorship held	ACME Ferro Alloys Pvt. Ltd.	DKG Finvest Pvt. Ltd. Dwekam Weldtech Ltd. NSB Securities Pvt. Ltd. Swan Finance Ltd.
Chairman / Member of the Committee of the Board of Directors of the Company	Remuneration Committee Member Shareholders / Investors Grievances Committee-Member	Remuneration Committee Chairman, Audit Committee-Member

**Indore,
The 28th day of May 2010**

By Order of the Board

**Navin S. Patwa
Company Secretary**

SAM INDUSTRIES LIMITED

REPORT OF THE BOARD OF DIRECTORS

To the Members,

Your Directors have pleasure in presenting the 16th Annual Report together with the Audited Statement of accounts of your Company for the year ended 31st March 2010:

	(Rs. in Lacs)	
FINANCIAL RESULTS :		
Particulars	2009-2010	2008-2009
Sales & Other Income	3359.54	4872.06
Total Expenditure	2641.29	4356.68
Profit (loss) before depreciation, and tax	718.25	515.38
Less : Depreciation	159.71	160.02
Provision for Taxation	207.00	135.00
Deferred Tax Liability / (Assets)	(27.74)	7.30
Income Tax on completed cases	1.18	0.00
Prior year adjustment	0.97	7.18
Fringe Benefit Tax	0.07	0.98
Profit (Loss) after depreciation & tax	377.07	204.90
Less : Provision for Diminution in the Value of Investment	(31.95)	29.82
Profit for the year	409.01	175.08
Add : Balance brought forward	49.18	31.29
Total Profit available for appropriation	458.19	206.37
Proposed Dividend on Preference Shares	37.80	47.25
Tax on Proposed Dividend on Preference Shares	6.42	8.03
Transfer To Redemption Reserve	210.00	105.00
Transitional Liability of Leave Encashment	0.00	3.10
Balance Carried Forward to Balance Sheet	203.97	49.18

DIVIDEND

The Board of Directors decided to declare Dividend on 9% Cumulative Preference Shares for the year ended 31st March 2010 and has decided not to Declare dividend on Equity shares for the year ended 31st March 2010, to conserve the resources of the Company to maintain liquidity.

PERFORMANCE

Company's Overall Performance

During the year under review, your Company has received income from operations amounting to Rs. 3359.54 Lacs as compared to Rs. 4872.06 Lacs in the previous year. Your Company has earned a profit after tax of Rs. 377.07 Lacs as compared to Rs. 204.90 Lacs in the previous year.

Segment wise Performance

Soya Division

Your Company is proud to inform you that it has completed 11 years of association with ITC Limited (Agri Business Division). Your Company has crushed in total 7720 M.T. (Seven Thousand Seven Hundred & Twenty Metric Ton) Soya seed in the current year, as against 28,000 M. T. (Twenty Eight Thousand Metric Ton) in the previous year inspite of good crops. This is because of international recession and increase in the prices of soya seed and adverse parity in soya seed crushing. This is also due to highly fluctuating supply and prices of the seeds, as well as decrease in the de-oiled cake in the international market.

Welding Division

During the year under review, the revenue of your Company's Welding Division was Rs. 947.13 Lacs as against Rs. 890.90 lacs in the previous year. Its profit of Rs. 350.92 Lacs during this period, against Rs. 410.21 Lacs during the previous year

SAM INDUSTRIES LIMITED

Real Estate Division

Your company is developing 7.68 Lacs square feet land as residential colony in Dewas city, near Indore, which is nearly completion stage. The distance to Dewas from Indore city, is only 32 K.M. and is well connected by National Highway. The colony being developed is in the heart of Dewas and at a walking distance from the railway station. The Company has started selling of the plots. In view of the robust Real Estate scenario in the country, the Company expects to generate good revenues and profits.

Investment Division

As per segment reporting requirements, your company has identified a segment i.e. Investment division and all the activities relating to investment in shares and loans etc. are carried in its investment division. During the year, under review your company has earned income of Rs. 80.56 Lacs from Investment activity.

Biotech Division

Your company has working Biotech project at its existing soya extraction site at village: Dakachya Tehsil: sanwer, District: Indore in view of optimum utilization of available resources to minimize the cost.

REDEMPTION OF PREFERENCE SHARES

Your Company has made provision for redemption of Two Lacs & Ten Thousand (2,10,000), 9% cumulative Redeemable Preference Shares of Rs.100/- each during the financial year 2009-10.

MANAGEMENT DISCUSSIONS AND ANALYSIS

Outlook

Your Company has three distinct businesses viz. the Soy Extractions & Oil Refining, Welding Electrodes and Real Estate. The modus operandi of these three businesses is different in terms of the nature of the products, customers profile, challenges and growth avenues.

- **Soya Extraction and Oil Refining Scenario :**
As per approximate estimate, there is a record sowing of soybean seed this year. Timely and adequate monsoon and favorable climatic conditions are likely to ensure a record soy crop also in the coming soy season.
- **Welding Industry Scenario :**
In view of the growing industrialization and expenditure on infrastructure, we expect a buoyant demand for welding materials in India.
- **Real Estate :**
The Real Estate scenario is very encouraging in Indore and Dewas and your company has proposed housing project in the heart of the city. The increasing population and residential housing projects are rapidly dotting on the highway connecting Indore and Dewas.

Internal Control System

Your Company has adequate internal control procedures relating to purchase of raw material, stores, components, etc., commensurating with the size of the Company and the nature of its business.

FIXED DEPOSIT

Your Company has not accepted any public deposit under Section 58A of the Companies Act, 1956 during the year.

SAM INDUSTRIES LIMITED

DIRECTORS

In accordance with Section 256 of the Companies Act, 1956, Mr. Om Agrawal and Mr. Bhanu Prakash Inani will retire by rotation at the ensuing Annual General Meeting and are eligible for re-appointment.

AUDITORS

Messrs M. Mehta & Company, Chartered Accountants, Indore, will retire at the conclusion of the ensuing Annual General Meeting. The Board proposed their re-appointment as Statutory Auditor to audit the accounts of the Company for the financial year 2010-11. You are requested to consider their re-appointment.

AUDITORS REPORT

Notes on Accounts, referred to in the Auditor's Report, are self-explanatory and therefore, do not call for any further comments or explanations.

CORPORATE GOVERNANCE

Your Company has complied with the requirements of corporate governance as per clause 49 of the Listing Agreements with the Stock Exchanges. A detailed report on Corporate Governance is annexed to this Annual Report. A certificate from the Statutory Auditors of the Company regarding compliance of conditions of corporate governance has been obtained and is enclosed with this Report.

DIRECTORS RESPONSIBILITY STATEMENT

In accordance with the provisions of Section 217 (2AA) of the Companies Act, 1956, your Directors confirm that

- (i) in the preparation of Annual Accounts, the applicable accounting standards have been followed;
- (ii) the Directors have selected such accounting policies as mentioned in Schedule 26 of the Annual Accounts and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company at the end of the financial year and of the profit or loss of the Company for that period;
- (iii) proper and sufficient care has been taken for the maintenance of adequate accounting records in accordance with the provisions of the aforesaid Act for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;
- (iv) the annual accounts have been prepared on the going concern basis.

CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION & FOREIGN EXCHANGE EARNINGS AND OUTGO

Information in accordance with the provision of Section 217(1)(e) of the Companies Act, 1956 read with Companies (Disclosure of particulars in the report of Board of Directors) Rules, 1988 regarding conservation of energy, technology absorption and foreign exchange earnings and outgo are given in annexure `A` forming part of this report. The energy conservation measures implemented during the year include installation of fan-less cooling towers, energy efficient pumps etc.

PARTICULARS OF EMPLOYEES

The particulars prescribed under Section 217(2A) of the Companies Act, 1956 read with Companies (Particulars of employees) Rules, 1975 are not applicable in the case of any of the employees of the Company.

INDUSTRIAL RELATIONS

Relation between the Management and its employees has been cordial. Your Directors place on record their appreciation of the efficient and loyal services rendered by the employees of the Company at all levels.

ACKNOWLEDGEMENT

The Directors wish to convey their appreciation for the co-operation received from Your Company's bankers and various Government agencies. The Directors also wish to thank the Shareholders, Employees, Customers and Suppliers for their support and co-operation.

For and on behalf of the Board of Directors

Indore,
The 28th day of May 2010

SAM INDUSTRIES LIMITED

ANNEXURE "A"

PARTICULARS	(Amount in Rupees)	
	2009-2010	2008-2009
FORM - A FOR DISCLOSURE OF PARTICULARS WITH RESPECT TO CONSERVATION OF ENERGY		
A. POWER AND FUEL CONSUMPTION		
Electricity		
(a) Purchased Unit	24,20,377	26,83,091
Total Amount	1,58,52,490	1,75,82,890
Rate /Unit	6.55	6.55
(b) Own Generation		
I) Through Diesel Generator		
Units	0	5,900
Units Per Ltr.	0.00	3.20
Cost /Unit (Rs.)	0.00	11.71
ii) Through Steam Turbine		
Units	Nil	Nil
Units Per Ltr. of fuel oil	Nil	Nil
Cost /Unit	Nil	Nil
Coal Qty (M.T.)	570	2,644
Total Amount (Rs.)	24,88,237	1,15,35,446
Average Rate (Rs./M.T.)	4,366	4,363
Furnace Oil Qty (M.T.)	Nil	Nil
Total Amount	Nil	Nil
Average Rate (Rs./Ltr.)	Nil	Nil
B. CONSUMPTION PER UNIT OF PRODUCTION		
Products (Seed & Electrodes)	2009-10	2008-09
Electricity (Unit / M.T.)	313.51	95.68
Furnace Oil (Ltr./ M.T.)	Nil	Nil
Coal (Kg./M.T.)	73.82	94.08
II. RESEARCH AND DEVELOPMENT		
The Company Manufactures standard product for which technology has already been established and therefore, no further research is being carried out.		
III. TECHNOLOGY & ABSORPTION		
The Company has adopted indigenous technology for crushing of soyabean seed and other oil seeds. No foreign technology has been imported by the Company.		
	2009-10	2008-09
IV. FOREIGN EXCHANGE EARNINGS AND OUT GO		
Foreign exchange used (Rs.)	-	-
Foreign exchange earned (Rs.)	11,77,110	9,38,385

Date: 18th June 2010



ITC Limited
AGRI BUSINESS DIVISION
Plot No. 8, Ranjeet Towers,
3rd Floor, Zone-II, M. P. Nagar,
Bhopal - 462011 (India)
Telephone : 4018066
Fax : (0755) 2763081

TO WHOM SO EVER IT MAY CONCERN

This is to certify that we have sold soya seed and in turn purchased DOC and soya crude oil for refining the soya oil from the plant of M/s Sam industries Limited, at village Dakachya, Tehsil: Sanwer, A. B. Road, District - Indore (M.P.) - 453 771, during the financial year 2009-10 from 1st April 2009 to 31st March 2010.

The total quantity of the soya seed sold during this period was 7720 M.T. (Seven Thousand Seven Hundred Twenty Metric Ton).

We further certify that all purchases of DOC, soya crude Oil for Refining were on the required quality and the right quantity from M/s Sam industries Limited, at village Dakachya, Tehsil: Sanwer, A. B. Road, District Indore (M.P.) 453 771 .

The company has extended full co-operation with honesty and integrity.

The company is enjoying healthy business association with M/s Sam industries Limited, consecutively for the 11th financial year.

For ITC Limited (Agri Business Division)

Pankaj

Authorized Signatory

ABD

Registered Office : ITC Limited, Virginia House 37, J. L. Nehru Road, Kolkata - 700 071 India
CIGARETTES & TOBACCO • HOTELS • INFORMATION TECHNOLOGY • PACKAGING • PAPER & PAPERBOARDS • AGRI-EXPORTS • LIFESTYLE RETAILING

Visit us at www.itcportal.com

SAM INDUSTRIES LIMITED

ANNEXURE TO THE DIRECTORS' REPORT - REPORT ON CORPORATE GOVERNANCE

I. Company's Philosophy

Your Company's Philosophy on code of Corporate Governance is based on attainment of high level of transparency, accountability, and adequate disclosures and economic value addition. All employees are guided by the Company's policies on important issues, including our relationship with consumers, stakeholders and Government.

II. Board of Directors

As per Listing Agreement, the Board should have an optimum combination of executive and non-executive Directors. In case of a non-executive Chairman, at least one-third of the Board should consist of Independent Directors and in the case of an executive Chairman at least half of the Board should be Independent Directors.

The Board of Directors of company has a combination of Executive and Non Executive Directors. The Chairman of the Board of your Company is a non-executive director. The Board of Directors of the Company consists of 7 Directors, of which 4 are non-executive as on 31st March 2010. During the year, 5 Meetings of the Board of Directors of the Company were held on 30.04.2009, 30.07.2009, 21.08.2009, 31.10.2009, and 29.01.2010. The maximum interval between any two meetings was 90 days.

The particulars of the Directors and the attendance at the Board Meetings during the year and the last Annual General Meeting as also the number of other directorships and committee memberships as on date are as follows.

Name of Director	Category	No. of Board Meetings Attended	Attendance in last AGM	No. of other Directorship	Committee Membership	
					Chairman	Member
Mr. Om Agrawal	Independent Non-Executive	5	No	1	-	3
Mr. Ashutosh A. Maheshwari	Promoter Non - Executive	5	No	11	-	-
Mr. Anil Maloo	Whole Time Director	5	Yes	2	1	1
Mr. Santosh Muchhal	Independent	5	Yes	1	1	1
Mr. Brij Kishore Jalan	Whole Time Director	5	No	2	-	1
Mr. Bhanu Prakash Inani	Independent	5	No	4	1	1
Mr. Ashish Dave	Whole Time Director	5	No	-	-	-

III. Audit Committee

The objective of the Audit Committee is to monitor and provide effective supervision of the Management's financial reporting processes with a view to ensuring accurate and proper disclosure, transparency and quality of financial reporting. The committee also reviews the financial and risk management policies, and the adequacy of internal control systems of the Company, and meets Statutory Auditors periodically.

Your Company has an Audit Committee consisting of three Independent Directors as its members, and the Audit Committee Meetings were held on 30.04.2009, 30.07.2009, 21.08.2009, 31.10.2009, and 29.01.2010.